are practically certain to develop the qualities and idiosyncrasies of civil servants, which are so unlikely to tend to elasticity, rapidity and efficiency in business management.

In fact, Mr Webb practically grants this point by the very interesting development he suggests by which the two chief functions of banking should be differentiated, and one of them should be nationalised and the other should remain in the hands of private enterprise. He develops this truly ingenious suggestion as follows:—

> " Just as we have (except for some obsolescent survivals) separated the function of issuing paper money from that of keeping current accounts, so we shall separate the function of keeping current accounts from that of money-lending. The habit of the British banker of combining in one and the same concern *(a)* the essentially routine business of keeping current accounts or receiving deposits: and (6) the much more difficult and hazardous business of lending capital to private traders, is not a necessary characteristic of banking organisation; and, whilst possibly the most profitable to the profit-seeking banker, this combination may not be the most advantageous from the standpoint of the community.
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> " It may accordingly be suggested that the business of banking, as understood in this country, is destined to be further divided into two parts, one of which is ripe for immediate nationalisation, and need no longer be carried on for private profit, whilst the other should be the sphere of a number of separate and diversely specialised organisations catering for particular

needs. The whole of the deposit and current account side of banking—with its services in the way of keeping securities, collecting dividends, meeting calls, making regular